Distr.
GENERAL

IDB.9/10/Add.2
20 March 1992

ORIGINAL: ENGLISH

United Nations Industrial Development Organization

Industrial Development Board

Ninth session
Vienna, 18-22 May 1992
Item 5 of the provisional agenda

ANNUAL REPORT OF THE DIRECTOR-GENERAL FOR 1991 ON THE ACTIVITIES OF THE ORGANIZATION

Special Programme for the Industrial Development of Asia and the Pacific

Progress report by the Director-General

Summary

Reports on action taken in response to requests contained in Board decision IDB.8/Dec.7 and General Conference decision GC.4/Dec.12 concerning various aspects of the implementation of the Special Programme for the Industrial Development of Asia and the Pacific.

1. The present report provides information on recent developments related to the implementation of the Special Programme for the Industrial Development of Asia and the Pacific. A complete progress report, including information on progress in the establishment of a special account in the Industrial Development Fund (IDF) as requested in paragraph (d) of decision GC.4/Dec.12, will be submitted to the Board at its eleventh session. In addition to activities described in the previous progress report (IDB.8/26), the following actions have been initiated in line with the recommendations of General Conference resolution GC.3/Res.18 and decision GC.4/Dec.12 respectively.

2. Metalworking is one of the areas that continue to receive special emphasis in planning programmes (GC.4/Dec.12, para. (c)(i)). For example, as a result of the 1990 Regional Workshop on Agro-related Metalworking Industries organized jointly with the Economic and Social Commission for Asia and the Pacific (ESCAP) (cf. IDB.8/26, para. 2), UNIDO finalized a regional project proposal for the provision of catalytic assistance to agro-related metalworking industries. The project will assist least developed countries (LDCs) of the region through fuller utilization of existing networks, technology exchange and promotion of technical cooperation among developing countries (TCDC), in response to decision GC.4/Dec.12, paragraph (c)(ii). In addition, the project will prepare detailed technical cooperation programmes for advisory services in raw material procurement, support services for cottage industries and related policy issues. The project is currently under appraisal at UNIDO Headquarters for financing under a special-purpose contribution to IDF.

3. Following consultation with the Food and Agriculture Organization of the United Nations (FAO) on the findings and recommendations of the Workshop, an FAO agricultural engineer visited three LDCs of the region, Kiribati, Samoa and Vanuatu, in June 1991, and recommended that they become members of the ESCAP regional network for agricultural machinery. The expert also formulated a project proposal to promote self-sufficiency in rural areas for the training of workshop owners - four from each of the three countries - in basic blacksmithing and metalworking techniques. Through the project the trainees will improve their management skills by learning to utilize scrap materials for the production of hand tools. The proposal is currently being reviewed by the three countries. Subject to their official request, the project will be considered for financial approval under FAO-administered non-IPF resources for joint FAO/UNIDO implementation.

4. UNIDO is planning to study the food-processing and fisheries industrial sectors in the LDCs of the region during the second phase of the Special Programme for Industrial Development of Asia and Pacific. A consultant has prepared country briefs for each LDC for that purpose and drafted a project proposal for organizing a regional workshop to discuss and elaborate on the consultant's findings and to make appropriate follow-up recommendations. The project will include two new LDCs: Cambodia and Solomon Islands. An associate expert financed by Finland will assist in preparations for and follow-up to the workshop, to be held at the end of 1992 or early 1993.

5. The high priority accorded to LDCs within the UNIDO technical cooperation programme supports and ensures the continuity and strength of the Special

V.92 52089 2728E
Distr.: 6 April 1992

Programme for the LDCs of the region. In that context UNIDO appraised and approved in January 1992 a project requested by the Government of Vanuatu for undertaking a pre-feasibility study to establish an export processing zone. The project is expected to lead to the enhancement of foreign investment promotion in that island country.

6. In line with the aim of the Special Programme to strengthen intercountry cooperation, UNIDO has sent a number of proposals to UNDP for consideration under the fifth cycle (1992-1996) intercountry programme (cf. IDB.8/26, para. 6). Among the proposals are:

(a) Establishment of a regional network of subcontracting exchanges;

(b) Study on the implications for women of new forms of manufacturing employment and changing skill requirements in selected Asian countries;

(c) Industrial statistics and database design for the Association of South-East Asian Nations (ASEAN) countries;

(d) Promotion of ASEAN industrial joint ventures;

(e) Study on industrial cooperation potential between ASEAN and Lao People's Democratic Republic, Myanmar and Viet Nam;

(f) Regional centre on testing and evaluation of new materials;

(g) Further assistance to ASEAN in harmonization of standards;

(h) Further assistance to the regional network on pesticides development;

(i) Further assistance to the regional network on low-cost building materials and construction technology, with emphasis on natural disaster-resistant materials;

(j) Development of entrepreneurship and small- and medium-scale industries in the Pacific islands;

(k) Regional network of institutions in the leather-processing and leather products industry.

7. In light of the three main themes proposed by UNDP for the region, namely human development through poverty alleviation, economic management and reform, and environment and natural resource management, some of the proposals have been revised for discussion and negotiation with UNDP as well as with the countries concerned. Moreover, with the reduction of UNDP intercountry programme resources for the region from $228 million in the fourth cycle (1987-1991) to $150 million in the fifth cycle, the three major themes would have to be articulated with a limited number of distinct programme areas emphasizing:

(a) Recognition of the interconnected and holistic nature of the development process;

(b) The need to relate interventions to strategic and policy environments;

(c) Recognition of the interventions of other donors and funding sources.

8. Under IDF, preparatory activities have been carried out for a major sectoral programme of pollution control in the tanning industry in the region. Eight countries, traditionally known as important suppliers of raw hides and skins, are rapidly expanding their own leather development capacities. The extent of pollution in the region resulting from tanning activities has become a matter of serious concern. National projects have been formulated for Bangladesh, China, India, Indonesia, Nepal, Pakistan, Sri Lanka and Thailand to respond to individual national requirements. To ensure complementarity and coordination of activities foreseen under these national projects, an umbrella intercountry project has also been designed and formulated. The organization envisages a network of institutions, with some of them providing focal points for specialized work, for example: at the Central Leather Research Institute in Madras, India, for cleaner technology, training and R and D; at Shanghai and Beijing, China, for by-products; at the Institute for Research and Development of Leather and Allied Industries, Yoghakarta, Indonesia, for small- and medium-scale industries; at Korangi Industries and Trading Estates, Karachi, Pakistan, for large-scale, joint effort treatment plants; and at the Samut Prakarn tannery cluster near Bangkok, Thailand, for chrome recycling and solids disposal. The programme is being submitted to special-purpose IDF donors for consideration.

ACTION REQUIRED OF THE BOARD

8. The Board may wish to take note of the present report.